GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4980
ANSWERED ON:25.08.2000
DOMINANCE OF MNCS IN CONSUMER MARKET
LAXMINARAYAN PANDEY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the dominance of multinational companies is increasing in the consumer market;

(b) whether the MNCs have captured the reputed areas of consumer products like TV, Refrigerator and Washing Machine; and

(c) if so, the steps taken by the Government to save the indigenous companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(DR. RAMAN SINGH)

(a) & (b) : Entry of foreign investment and technology into India is not considered a threat to an efficient domestic industry.

(c) : While considering FDI proposals, a declaration is obtained from the applicant whether the foreign collaborator has any previous joint venture or technology transfer/trademark agreement in the same or allied field in India, the detailed circumstances in which it is considered necessary to set up a new joint venture or wholly owned company and proof that the new proposal would not in any way jeopardize the interest of the existing joint venture or partner. For induction of foreign investment and investment from Non Resident Indians/Overseas corporate Bodies in an existing Indian company, a copy of the Board Resolution of the existing Indian company is called for to prevent possibility of hostile takeover.